




2011 CalPERS Health Plan Rate and Benefit Changes Seminar
 Sacramento Regional Office | July 30, 2010
 Presented by CalPERS Health Benefits Program, Public Agency & Schools Marketing Unit



2011 CalPERS Health Plan Rate and Benefit Changes Seminar

Agenda


- Health Premium Overall Rate Changes for 2011
- Basic Premium Changes by Region
- National Healthcare Reform
- Health Partners – Overview and Benefit Changes
 - Anthem Blue Cross - Blue Shield of California
 - Medco Health Solutions - Kaiser Permanente
- Open Enrollment – Key Dates
- Questions and Answers




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2011 Premium Overall Rate Changes
 Total Program (State and Contracting Agencies)

- Overall premium increase of 9.1%
- Overall premium increase for Basic plans of 10.6%
- Overall premium increase for Medicare plans of 3.4%



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2011 Basic Premium Changes
Southern California Regions


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Basic Premium Changes – Los Angeles Area
(Los Angeles, San Bernardino, Ventura counties)

Health Plan	Percent Change (+/-)
Blue Shield Access+	17.01%
Blue Shield NetValue	16.17%
Kaiser CA	5.04%
PERS Choice	9.67%
PERS Select	2.73%
PERSCare	1.97%


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Basic Premium Changes – Other Southern CA Regions

Health Plan	Percent Change (+/-)
Blue Shield Access+	17.02%
Blue Shield NetValue	16.17%
Kaiser CA	5.05%
PERS Choice	9.19%
PERS Select	2.28%
PERSCare	1.52%



National Healthcare Reform

- Currently, CalPERS is on target to implement all 2010/2011 provisions, including
 - Extension of dependent coverage up to age 26
 - Elimination of lifetime limits for PERS Select and PERS Choice
 - Changes to annual limits
 - Early Retiree Reinsurance Program (ERRP)



Health Plan Partners Plan Overview and Changes



2011 Open Enrollment



Open Enrollment Key Dates

- August 16th and August 23rd
 - Mailing waves of Open Enrollment member packages
- August 30th – October 8th
 - Open Enrollment Health Fairs conducted
- September 13th – October 8th
 - Open Enrollment period for the 2011 health plan year



Helpful Websites and Phone Numbers

- CalPERS
 - www.calpers.ca.gov
 - **888 CalPERS**
(or 888-225-7377)
- Anthem Blue Cross
 - www.anthem.com/ca/calpers
 - (877) 737-7776
- Blue Shield of California
 - www.blueshieldca.com/calpers
 - (800) 334-5847
- Kaiser Permanente
 - www.kp.org/calpers
 - (800) 464-4000
- Medco
 - www.medco.com/calpers
 - (800) 939-7091

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Southern California Sessions

Date: July 30, 2010
Segment: Health Plan Rate and Benefit Changes Seminar
Host: Pamela Goldberg
Guests: Don Sherman and Terri McIntyre

Video Transcript

Host:

Good afternoon. I'm Pamela Goldberg with CalPERS. On behalf of CalPERS Employer and Member Health Services Division and our health plan partners, we welcome you to the Southern California regional session of the 2011 CalPERS Health Plan Rate and Benefit Changes Seminar. We are hosting this event in front of a live audience here at the Sacramento regional office and simultaneously broadcasting this presentation via webinar. For those of you in our cyber audience, a very special welcome to this webinar. More than 500 people will be participating in this webinar format. During the seminar, those of you online will be able to view the slides and hear the presenters in real time as we progress through the program. We are now recording the audio portion as well as the accompanying slides used in this presentation. For those who want a copy, downloadable materials are available. A recording of this event will be archived and posted on the CalPERS website, www.calpers.ca.gov within the next two weeks. And speaking of technology, for those of you here, please take a moment now to silence your cell phones or other electronic devices. And now let's take a look at today's agenda for the 2011 CalPERS Health Plan Rate and Benefit Change Seminar.

We're going to begin with a review of the overall health premium changes, and specifically the premium changes in the Southern California region. Next, Don Sherman of CalPERS will provide information about National Healthcare Reform. Then representatives from our health plan partners, including Anthem Blue Cross, Medco, Blue Shield of California, and Kaiser Permanente will each give a 15 minute customized presentation. In each segment, the representative will talk about the health plan and specific benefit changes to each plan. After we have heard from each of the plan partners, Terri McIntyre of CalPERS will review the key dates and information about the upcoming 2011 Open Enrollment.

At approximately 3:00 p.m., we will begin a 30 minute question and answer session. Whether you are here in person or participating via webinar, you will have an opportunity to ask questions of the presenters. For those of you participating in the webinar, you will see a tab that says "ask a question". You may type your questions at any time. But do keep in mind that we are reserving time at the end of this presentation to address questions. And if we can't get to your questions in the time, due to time limits, then we are going to post the responses on the web along with the recording and slides of this presentation.

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And now, let's launch the Southern California session of the 2011 CalPERS Health Plan Rate and Benefit Changes Seminar.

Let's begin with the first item on the agenda, the Premium Overall Rate Changes.

For State and Contracting Agencies for 2011, there was an overall premium increase of 9.1%. The overall increase for Basic plan is 10.6%, and for Medicare 3.4%. And now for the regional changes in Southern California. For the Los Angeles area, the percentage change for 2011 ranges from just under 2% with PERSCare to around 17% with Blue Shield Access +. And for the other Southern California regions, the percentage change for 2011 is almost identical to the rates for the L.A. area with under 2% with PERSCare and 17% Blue Shield Access +. These rate charts and other information are available on the CalPERS website.

And now, with great pleasure, I introduce Don Sherman of CalPERS Employer and Member Health Services Division to discuss National Healthcare Reform. Thank you.

Don Sherman:

Thank you very much Pamela. So on to National Healthcare Reform. The Patient Protection and Affordable Care Act which is the slide you're seeing right now, has some measures that will roll into affect earlier than others. The most significant near term impact for our employers and our members are the extension of dependent care coverage until the age of 26, lifetime and annual limits, and the Early Retiree Reinsurance Program or as we know it, ERRP. We have communicated to you employers and members at calpers.ca.gov, some very wonderful FAQs, some fact sheets for frequently asked questions. Also there are a number of downloadable materials from there, as well as links to the national healthcare reform websites, for instance, healthcare.gov.

For the extension of dependent coverage, children of CalPERS health benefits subscribers, whether they were previously on their parents' plan or not, are eligible for healthcare coverage up to age of 26 for this coming plan year. They're eligible even if they're married, they're eligible if they didn't, or do not live with their parent or even if they're not a student. So beginning January 1, 2011, all CalPERS benefits packages that are available to dependents under age 23 will also be offered up to the age of 26, and that's up to the age of 26. The cost of coverage will be consistent with the, that which was applicable for dependents up to the age of 23 in these previous plan years. The Open Enrollment communications will go out September 13th, for Open Enrollment that September 13 through October 8th. There will be a packet in August, so in a few weeks we'll be sending out enrollment and re-enrollment instructions regarding dependents that are under age 26, so look for that. Also, for Circular Letters in the employer view from CalPERS.ca.gov, go to the employer section under Circular Letters and we've got a treasure trove of information for you there as well.

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On lifetime and annual limits, beginning January 1st, 2011, CalPERS will remove lifetime limits in accordance with the prohibition of National Healthcare Reform on imposing lifetime limits on the value of benefits for participants and for beneficiaries. Prior to 2014, plans may impose restricted annual limits, and those annual limits are on what is termed essential health benefits for factors of national health care. CalPERS plans, some of them, currently have annual limits on certain services, those are things such as hearing aids, outpatient cardiac rehabilitation. Depending on how the pending regulations define essential health services CalPERS and our health plan partners will verify which services meet that definitions and possibly remove the annual limits restriction beginning January 1st, 2011.

Now for ERRP, the Early Retiree Reinsurance Program. The U.S. Department of Health and Human Services has released that application, that was on June 29th. And I'm very proud to say that CalPERS staff turned that around in one day, the same day, they filled out the application with all the essential information and filed it back with the U.S. Department of Health and Human Services. You talk about efficiency. This program provides reimbursement for participating employment based plans for a portion of the cost of health benefits for early retirees. Early retirees are those age 55 or older, not eligible for Medicare, their spouses, surviving spouses, and dependents. The U.S. Department of Health and Human Services estimates that the application approval process will conclude in late August of this year. Circular Letters have gone out, emphasizing to our employers the means by which CalPERS applied and the application of any funds that will be received for the Early Retiree Reinsurance Program. The reimbursements will reduce premiums increases by an average of 3% for the 2011 plan year. And that's a significant savings.

Now, I've been asked to note for public agencies and schools to take a look at your bill. Reconcile your statements monthly. Take a look and make sure that the enrollments that are on there are accurately reflected. It will help assure that you're paying the right amount, that we're receiving the right amount, that you've got the correct active and retired employees listed. And this is very important because refunds for retroactivity may only go back 6 months prior to the date on which that action is processed or recorded. So, reconcile your statements. Take a look at them. If you've got 'em at your desk when this is over I suggest you take that out and give it a good look over.

Host:

I'd like to introduce Terri McIntyre from CalPERS to talk about Open Enrollment.

Terri McIntyre:

We are starting to mail out the Open Enrollment member packages two weeks from this Monday in two mailings. One batch will be mailed out August 16th and the next final batch will be mailed out on August 23rd. They're sent out by Employer IDs so all the people from your individual employers should receive

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them around the same time. What is included in the Open Enrollment member package is a health plan statement, which shows the member's current plan and dependent information. And it is important that your employees look at this statement and verify that the dependents shown on their health plan statement are still valid dependents for their enrollment. For instance, we hear all the time about people who got divorced and forgot to delete their spouse. And it is important that they keep you, the Health Benefits Officer, informed of these kinds of changes, because as Don talked about earlier in the presentation, we do have a six month retroactive reimbursement policy. So if someone deleted at the beginning of the year, they will only be reimbursed for six months retroactively even though that spouse deletion is retroactive to the first of the month following that event.

Also included in the Open Enrollment member package is a personalized rate information sheet so if the person is in the Bay Area, they'll get the rate information for the Bay Area. If it's a state employee, they'll get the information for state. And also a personalized statement, if applicable, about the Affordable Care Act around dependent information. If they've had a dependent who was deleted due to aging out, or if they have a dependent who is turning 23-24 in the next while, they'll get a statement about how to re-enroll that child. They will also include a postcard for the member to request Open Enrollment booklets if they want to receive them, and the booklets that they can request are the health plan summary, the health program guide which has a lot of useful information about our health benefits program including rules about who can be enrolled, times other than Open Enrollment that members can make health plan changes. It gives summary information about Medicare, and then there's also a separate booklet called Medicare Guide that goes into a lot of detail about the requirements for members who are Medicare eligible.

And last but not least, in that package, there is an Open Enrollment newsletter.

For the, our Open Enrollment health fairs are being conducted from August 30th through October 8th, and the actual Open Enrollment period is September 13th through October 8th which is the time when your employees need to notify you of their health plan changes, or addition of dependents, deletion of dependents, and they have to get those into their employer's office by the end of the day on October 8th. Employers will have until October 15th to enter those transactions into ACES.

And hot off the press, today the Open Enrollment Circular Letters went out to the Health Benefits Officers. These Open Enrollment Circular Letters are already put on our website and they contain really detailed instructions about Open Enrollment transactions. There's a summary of all the benefit design changes for each of our health plans and even COBRA rate information. So it's a very valuable document that we send out every year.

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So thank you.